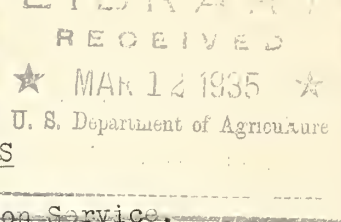


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DAIRY PROGRAM FOR THE NORTHEASTERN STATES

A radio talk by J. E. Carrigan, Director, Extension Service, Burlington, Vt., delivered in the Land-Grant College radio program, February 20, 1935, and broadcast by a network of 48 associate NBC radio stations.

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The dairy program for the Northeastern States is the production and marketing of milk for consumption in fresh fluid form.

In this region less food is produced than is consumed. Even though dairying is the most important agricultural industry, there is only enough milk produced to care for the fluid milk requirements and part of the sweet cream requirements. The supply of manufactured dairy products comes almost entirely from outside.

The dairymen of the Northeast are almost exclusively interested in producing milk for the milk markets. They aren't interested in producing butter or cheese. They aren't interested in producing evaporated, condensed or powdered milk. They aren't even interested in producing cream. Of course, since there is more milk produced than the markets will take as milk, it has to be sold in some other form - usually cream. But the area as a whole is a fresh fluid milk producing unit. Thus, I repeat that the dairy program of the Northeast is producing and marketing milk in fresh fluid form.

Of the many problems connected with this program, I am going to confine what I have to say to one - that of getting the dairymen of the Northeast to share their fluid milk markets equitably.

Milk consumed as fluid milk brings the highest price, milk consumed as cream brings a lower price and milk consumed as butter, cheese and other dairy products brings a still lower price. Thus there is a great incentive for each producer to sell as much of his milk as possible as fluid milk and let the other fellow sell his supply as cream.

This has been largely overcome, so far as individuals are concerned, by the development of producer-cooperative organizations in which the product of all members is pooled. But we have now several such cooperative groups functioning in the territory. In fact there are usually several such groups selling in the same market. Each of these groups wants to sell as much as possible of its product as fluid milk and as little as possible as cream. This starts price wars which cause unstable market and price conditions - bad for producer, distributor and consumer alike. Some of these wars, or phases of them, develop between states.

This unwillingness of individuals, groups, states or milk sheds to share has become more intense during the past few years of low milk prices, and as a result state and federal governments have been brought into the milk marketing field. Thus we now have state milk control boards and federal

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marketing agreements and licenses attempting to do what the industry alone seemed unable to do, namely, to bring about an equitable sharing of the milk markets by the dairymen of the Northeast.

This problem is not peculiar to this region. It prevails throughout the country. Furthermore, it is not the only problem in the dairy industry. There are many others. This, however, is the acute one at present and the one which must be solved if the dairy industry of the region is to continue on a stable basis.

Before the problem can be solved, dairymen, their leaders, state milk control boards and federal license administrators, must realize that there must be an equitable, or fair and just, sharing of the markets. This does not mean an equal sharing since such obviously would be unfair and inequitable. There must be differentials worked out on a fair basis as between individual dairymen and groups of dairymen, between states and between milk sheds. So long as individuals, cooperative organizations, states or milk sheds maintain the attitude that they must fight to obtain every possible advantage for themselves, there will likely be no equitable settlement and market and price instability will continue.

A few months ago a permanent Northeastern Dairy Conference was organized. The purpose of this Conference is to draw dairy leaders together from throughout the Northeastern states so that they may discuss their common problems and plan together how these problems may be solved. Already attention has been given to the matter of developing coordination between marketing organizations, state milk control boards and the federal government in the market stabilizing program. Much remains to be done on this problem and the Northeastern Dairy Conference has set up a continuing committee to work on it. Other matters of concern to the dairymen are receiving its attention. Furthermore this Conference stands ready to represent the region in the consideration of any national dairy programs that may be undertaken. Right now it is focusing on this marketing problem and is trying to develop among all groups and units of the industry a realization that producing and marketing fluid milk is the dairy program common to the whole region and that there must be worked out an equitable sharing of the milk markets if the dairy industry is to prosper.